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MONTANA SECOND JUDICIAL DISTRICT COURT
BUTTE-SILVER BOW COUNTY

Kevin Washington an individual and minority owner of CryptoWatt Investment Partners, LLC the sole member of CryptoWatt Mining, LLC.

Plaintiff,

v.

Matthew Brent Goetsche, an individual and majority owner of CryptoWatt Investment Partners, LLC the sole member of Cryptowatt Mining, LLC.

Defendant

Dept. 1
Cause No. DV-19-453

**EX PARTE
EMERGENCY MOTION
TO APPOINT A
RECEIVER
And Request for a Hearing**

Comes now the Plaintiff, Kevin Washington, and moves this Court pursuant to MCA 27-20-102(3) to appoint a Receiver for the assets of CryptoWatt Mining, LLC and CryptoWatt Investment Partners, LLC. For the reasons set forth in Plaintiff's Complaint and Brief in Support of Ex Parte Emergency Motion to Appoint a Receiver filed in conjunction with this motion, Plaintiff respectfully requests the Court set this matter for hearing at its earliest convenience.

Wherefore, Plaintiff respectfully requests the Court grant his motion to

appoint a Receiver for the assets of CryptoWatt Investment Partners, LLC and
CryptoWatt Mining, LLC.

DATED this 30th day of December, 2019.

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**BRIEF IN SUPPORT OF
EX PARTE
EMERGENCY MOTION
TO APPOINT A
RECEIVER**

Section 27-20-102, MCA delineates the instances in which a district court may appoint a receiver, including in actions “between partners or others jointly owning or interested in any property or fund, …when it is shown that the property or fund is in danger of being lost, removed, or materially injured...” Section 27-20-102(3), MCA. The plaintiff or “any party whose right to or interest in the property or fund or the proceeds of the property or fund is probable” may apply to

the district court to appoint a Receiver. The party seeking the appointment of a receiver bears the burden of showing the property “is in danger of loss from neglect, waste, misconduct, or insolvency.” *Sandrock v. DeTienne*, 2010 MT 237, ¶ 25, 358 Mont. 175, 243 P.3d 1123; *Crowley v. Valley W. Water Co.*, 267 Mont. 144, 151, 882 P.2d 1022, 1026 (1994).

In this case, a Receiver must be appointed immediately to save 32 good paying jobs and prevent assets worth tens of millions of dollars from diminishing drastically in value in very short order. Mr. Richard B. Tabish is the President of FX Solutions, Inc., the company that contracts with CryptoWatt Mining, LLC to operate its Bitcoin mining facility at Butte, Montana. The affidavit of Mr. Tabish (attached hereto as Exhibit 1) describes the critical business issues facing CryptoWatt Mining, LLC. As Mr. Tabish explains in his affidavit:

1. Mr. Matthew Goettsche is presently solely authorized to and responsible for conducting the financial transactions in Bitcoin and regular currency that funds the operation of CryptoWatt Mining, LLC’s Butte facility.
2. Mr. Goettsche is presently incarcerated by federal authorities pending trial on the Indictment attached to Mr. Washington’s Complaint in this matter.
3. Mr. Goettsche’s unavailability to conduct financial transaction has caused all funding of CryptoWatt Mining, LLC’s operations at its Butte facility to cease, resulting in all CryptoWatt Mining, LLC’s employees being laid off from their employment. In addition, Mr. Goettsche’s unavailability to conduct financial transactions has resulted in approximately \$84,000 in checks to FX Solutions,

Inc. to be returned for insufficient funds. These payments from CryptoWatt Mining, LLC to FX Solutions, Inc. were largely designated for the payroll of the 32 employees of FX Solutions, Inc. that work at CryptoWatt Mining, LLC's Butte facility. Mr. Goetsche's unavailability and failure to pay FX Solutions, Inc. for its services has put the jobs of the 32 employees of FX Solutions, Inc. that work at CryptoWatt Mining, LLC's Butte facility in jeopardy.

4. The production of Bitcoin at CryptoWatt Mining LLC's Butte facility requires a contract for electric power to run its Bitcoin mining machines.
5. Mr. Goetsche's unavailability to conduct financial transactions has caused CryptoWatt Mining LLC's electric power contract with Northwestern Energy to go into arrears, threatening the continued availability of electric power. Without electrical power for producing Bitcoin at CryptoWatt Mining LLC's Butte facility, the facility must be shut down, no Bitcoin will be produced and 32 employees of FX Solutions, Inc. will lose their jobs.
6. With an electric power contract in place, CryptoWatt Mining LLC's Butte facility is a very valuable asset, likely worth more than \$40 million. Without an electric power contact in place, the value of CryptoWatt Mining LLC's Butte facility diminishes quickly and drastically. Moreover, every day that CryptoWatt Mining LLC's Butte facility is not operating and producing Bitcoin costs the owners of CryptoWatt Mining LLC approximately 12 Bitcoin-a substantial amount of money depending on the value of Bitcoin on any given day (for example, today the owners of CryptoWatt Mining, LLC lost

approximately \$87,600 in revenue by not being in operation and producing Bitcoin).

Plaintiff Kevin Washington, as the minority owner of CryptoWatt Investment Partners, LLC and CryptoWatt Mining, LLC, is a party “whose right to or interest in the property or fund or the proceeds of the property or fund is probable” qualifying him to apply to this Court to appoint a Receiver. The allegations in Mr. Washington’s Complaint in this case, the allegations in the federal Indictment pending against Mr. Goetsche and Mr. Tabish’s affidavit clearly establish that the assets of CryptoWatt Investment Partners, LLC and CryptoWatt Mining, LLC are “in danger of loss from neglect, waste, misconduct or insolvency.” As such, Plaintiff Kevin Washington has met his burden to show the necessity of appointing a Receiver of the assets of CryptoWatt Investment Partners, LLC and CryptoWatt Mining, LLC and respectfully requests this Court do so as its earliest convenience.

DATED this 30th day of December, 2019.

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Attorney for Plaintiff